

Yes We Have No Bananas

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Introductory Comments

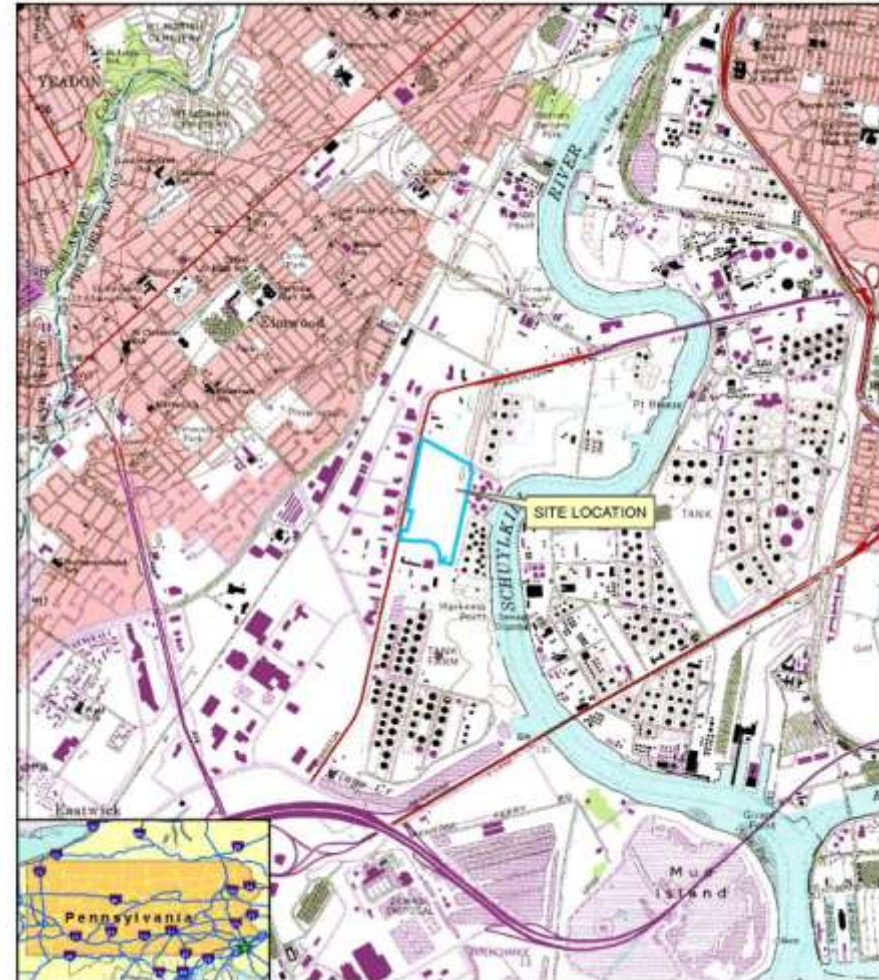
Essington Avenue Project – Philadelphia, PA

- Site History
- Technical Challenges
- Developer and Financial Challenges



General Description

- Site consisted of 6 parcels, owned by 3 entities
- 48 acres, the largest of which was 13 acres
- Used as private recreational property
- Junk yard
- An historic landfill with more than 20 - 25 feet of waste



Site History

Site(s) were a collection of mixed-use parcels

- The Family Fun Center
- Unused tracts primarily left alone due to pipeline rights of way
- Several parcels used for the Airport Used Parts Auto Mall
- Many parcels were the subject of numerous City of Philadelphia enforcement actions regarding unlawful dumping of tires, illegal fill, rodent complaints, odors...



Auto Parts Mall



Abandoned Tire Area

222,650 tires were initially removed from surface tire dump



“Unused” Pipeline Right of Way



Surface Debris Removal

- 1,234 tons of metal
- 926 tons of garbage
- An additional 175,000 tires from subsurface



Site Investigation

Investigations took more than 6 years

- First Phase 1 completed in December 2004

Investigation work 2005-2006

- 6 monitoring wells
- 18 soil borings
- 42 soil vapor points



Primary Soil Concerns

- Volatile Organic Compounds
- Polycyclic Aromatic Hydrocarbons
- Metals



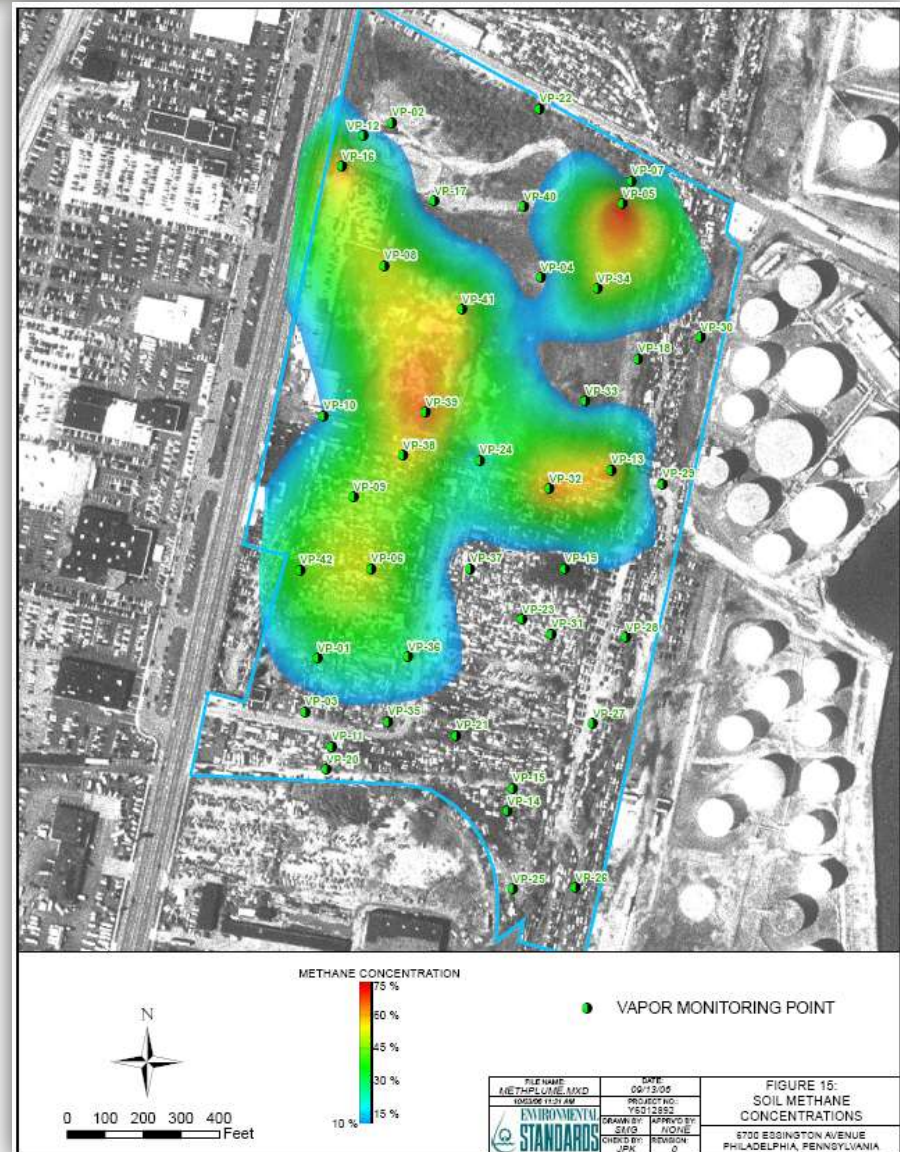
Primary Groundwater Concerns

- Volatile Organic Compounds
- Polycyclic Aromatic Hydrocarbons
- Metals



Soil Vapor/VI Concerns

- Mixed VOCs
- CO₂
- Methane > LEL



Designed Remedy

Methane monitoring

- Soil removal during Site grading and subsequent capping was used to eliminate direct contact with surface soils.
- A minimum of two feet of certified “clean fill” placed on the exposed surface throughout the Property.
- The Site was deed restricted to prevent the installation of groundwater wells for potable water supplies.
- To prevent vapor migration into buildings on the Property, a methane venting/collection system, including a vapor barrier, was installed beneath constructed building footprints.
- Indoor air monitoring for methane is conducted at the Site.
- Other potentially hazardous materials encountered during property redevelopment will be managed and disposed of using Best Management Practices, pursuant to PA DEP protocols and guidance.



Some Redevelopment Surprises



Hidden Treasure!

Vapor Barrier Beneath Structure



Vapor Collection



Vapor Barrier

Meanwhile...

Project Financing

- Construction of the new Philadelphia Wholesale Produce Market
- Complex agreements among local, state, and Federal funding authorities
- Developer financing



Reported Project Financing Part 1

- The developer secured a \$50 million first mortgage and provide for a repayment term of up to 40 years.
- Low interest loan
 - An \$11 million loan through PENNVEST, considered a second mortgage, has a 20-year term and an interest rate of 1.12% for five years and 1.73% for the remaining 15-year period.
- HUD money
 - The U.S. Department of Housing and Urban Development will add a \$3 million grant through its Brownfields Economic Development Initiative and a \$2 million loan via the Section 108 Loan Guarantee Program.

Reported Project Financing Part 2

- \$150 million in grant funds authorized by the Commonwealth of Pennsylvania
- DCED funding
 - An operating subsidy of \$1 million per year for 10 years will come from Pennsylvania's Department of Community and Economic Development, intended to cover debt service on the senior bank loan and the PENNVEST and HUD loans.
- Title to the land was transferred to the Philadelphia Regional Port Authority on February 4, 2011. O'Neill Properties will lease the land for 40 years, and after construction, sublease the site to the Philadelphia Fresh Food Terminal Corp. (PFFTC).
- PFFTC would, in turn, lease space to food distributors.



Today...

Market Opens April 3, 2011

- Equipped with technologically-advanced cooling and communications systems
- Over 200 loading dock doors, 400 crispers, and a recycling and waste management center.
- 700,000 sq. ft. facility, servicing 500 mile radius
- 1,500 Food Handlers
- \$1.6 Billion in sales (projected)
- Set on edge, a higher “refrigerator” than the Empire State Building – with bananas



Thank You



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“Setting the Standards for Innovative Environmental Solutions”

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